

South Carolina Retirement Systems



Death Claims Process

How is the Retirement Systems notified of a death?

- Employers
- Family and friends of the deceased
- Obituaries
- SSA
- DHEC
- Funeral homes



Types of death claims

- **Active** – member dies while still on payroll and remitting active member contributions.
- **Inactive** – member dies after more than 90 days after the last day of earned compensation.
- **Retiree**
- **Working retired member**



Group life insurance

- Coverage is required for all state agencies and public schools.
- Coverage is optional for other employers.
- One tax-free insurance payment.
- Active group life insurance = one year's salary
- Retiree group life insurance = \$2,000, \$4,000, or \$6,000 based on years of service



Active member death benefit

- If member was under age 60 (SCRS) or under age 55 (PORS) and had **less than one year** of service credit:
 - Active member group life Insurance if the death was job-related; and
 - Refund of employee contributions plus interest
- If member was under age 60 (SCRS) or under age 55 (PORS) with 1-14 years of service credit:
 - Active member group life insurance; and
 - Refund of employee contributions plus interest



Active member death benefit

- If member had 15 or more years of service credit, five years of which must be earned service:
 - Active member group life insurance; and
 - Beneficiary's choice of monthly annuity or refund of employee contributions plus interest.
- If member was over age 60 (SCRS) or age 55 (PORS) with at least five years of earned service:
 - Active member group life insurance; and
 - Beneficiary's choice of monthly annuity or refund of employee contributions plus interest.
- If there are multiple beneficiaries, all beneficiaries must choose the same option to receive either a lifetime monthly annuity or refund.



Multiple Beneficiaries

- If there are multiple beneficiaries, all beneficiaries must choose the same payment option to receive either a lifetime monthly annuity or refund.
- If one of the member's beneficiaries dies, the remaining beneficiaries do not pick up the deceased beneficiaries portion.



Accidental death program (ADP)

PORS only

- **Monthly benefit:**
 - 50 percent of the annual earnable compensation (including overtime) ÷ 12.
- **Paid if death occurs while a member is performing a hazard specific to employment while in the actual line of duty without willful negligence on the member's part.**
- **Benefits first payable the day after the death of the member.**
- **Children receive free in-state college tuition.**
- **Paid in addition to the other in-service death benefits.**
- **Not taxable.**



Who receives Accidental Death Program benefit?

- Lifetime monthly benefit to the spouse
- If there is no spouse or if the spouse dies before the youngest child attains age 18, benefit is divided equally among the surviving children until each child attains age 18, whichever occurs first.
- If there is no spouse or child under age 18, benefit is paid to the surviving mother/father for life.



Inactive deaths

- Beneficiaries receive a refund of the member's contributions plus interest
- No group life insurance



Retiree death

- Retiree group life insurance
- Additional benefit depending on payment selection (if applicable):
 - Option A – Refund of any remaining contributions
 - Option B – Beneficiary begins to receive the same lifetime monthly annuity amount the retiree received prior to death
 - Option C – Beneficiary begins to receive half of the monthly annuity amount



Working retired member deaths

- Active group life insurance
- Additional death benefit depending on payment selection (if applicable):
 - Option A
 - Option B
 - Option C



Information required

Active (non-retired) member death

- The Retirement Systems will mail the following forms to the employer:
 - Form 4152
 - Form 6202

- The Retirement Systems will mail the following items to the beneficiary:
 - Sympathy letter
 - Request for certified copy of death certificate
 - Request for copy of beneficiary's driver's license and Social Security card



Information required

Retired member death

- No information required from employer unless account has not yet been finalized.
- If the deceased was a working retiree, the employer will be sent *Certification of Final Retirement Deductions for a Deceased Retired Member* (Form 4250) (in appendix).
- The following is mailed to the beneficiary:
 - Form 4153
 - Letter requesting copy of beneficiary's Social Security card and driver's license



Payments to an estate

- How does an estate become the beneficiary?
 - Member names his estate as beneficiary; or
 - Estate becomes beneficiary by default if the named beneficiaries predecease the member.



Additional documentation required if estate is beneficiary

- See bottom of Form 4153
- “Certificate of Appointment” naming the personal representative for estates **of more than \$10,000**; or
- “Affidavit for Collection of Personal Property” for estates **of less than \$10,000**.



Summary quiz

- On the *Certification of Salary for a Deceased Member* (Form 4152), does the last day earned compensation and date of termination have to be the same date?
- On this same form, does the date of final paycheck and date of termination have to be the same date?



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Employers covered by the South Carolina Retirement Systems are not agents of the Retirement Systems.



Questions

